Decline in PLR of banks

4321. DR. C. NARAYANA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a considerable fall in the interest rates/ Prime Lending Rates (PLR) of all commercial banks in the last few years;

(b) if so, whether there has been any relative reduction in refinance rates of sponsored banks and particularly of NABARD to RRBs and cooperatives;

(c) the details of refinance amounts and rates charged by NABARD and sponsored banks; and

(d) whether there is any proposal to peg-down the refinance rate at a little above cost of demand deposits to serve the real purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) have reported that since October 1994, interest rates on advances of Rs. 2 lakhs and above were deregulated. The commercial banks are free to determine their own lending rates on advances with credit limits of over Rs. 2 lakhs. There has been a considerable fall in the interest rates/Prime Lending Rate (PLR) of commercial banks in the last few years. The PLR of banks has come down from 14.5 to 15 per cent per annum in the year 1996 to 11.5 to 12 percent per annum at present.

(b) National Bank for Agriculture & Rural Development (NABARD) provides short-term refinance support to State Cooperative Banks (SCBs)/ District Central Cooperative Banks (DCCBs) and Regional Rural Banks (RRBs) for financing seasonal agricultural operations (SAO) and other than SAO out of the general line of credit provided to NABARD by RBI. The present refinance rate of NABARD for RRBs is 7.0% for SAOs. Similarly, for State Cooperative Banks the rates are 5.5 to 7.5%.

(c) and (d) NABARD has reported that the agency-wise disbursement of refinance under investment credit during 1999-2000, 2000-01 and 2001-02 by NABARD is as follows:—

(Rs. in Lakhs)

Year	Commercial Banks	RRBs	SCBs
1999-00	154,665	77622	53963
2000-01	220,097	86828	72338
2001-02	160,805	117821	108906

Taking into account the rate of interest charged by RBI on the General Line of Credit to NABARD and other relevant factors, the refinance rate has been reduced by 0.50% bringing the highest dependence level slab of refinance to State Co-operative Banks/District Central Co-operative Banks on SAO to 7.5% per annum.

Adulteration of opium

4322. SHRI C.RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether farmers are adulterating the opium they have to give to the Central Government;

(b) if so, the details of fraud detected during last one year; and

(c) the action taken against the culprits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Some cases of adulteration of opium by the opium poppy cultivators have come to notice.

(b) The tests conducted have detected the presence of adulterants like gum, starch, HIM (High Inorganic Matter), Horlicks, milk powder, bournvita, sugar in the opium tenderd by licensed cultivators.

(c) Depending on the extent of adulteration, fine has been imposed on the cultivators whose opium has been found to be adulterated. The quantity of opium tendered by the licensed cultivators is reduced to the extent of fine imposed. The quantity so reduced is taken into account for computation of average yield for the purposes of renewal of the licence of the cultivators for the next crop year. Cultivators whose average yield fell below the Minimum Qualifying Yield have been delicensed.

Post of DG in NCB

4323. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) the service from which the post of Director-General of the Narcotics Control Bureau was filled up this year;

(b) whether it is a fact that the officers of the Indian Customs and Central